

Message Text

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ACTION OPIC-06

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SUBJECT: DELAYS IN CURRENCY CONVERSION

REF: 67044

1. THE FEW AMERICAN COMPANIES OPERATING IN MAURITANIA HAVE HAD LITTLE EXPERIENCE SO FAR IN OBTAINING APPROVAL FOR TRANSFERS OF LOCAL CURRENCY (OUGUIYA) TO U.S. DOLLARS. THERE ARE NO U.S. COMPANIES IN COUNTRY WHICH HAVE BEEN OR ARE IN TYPE OF BUSINESS REQUIRING REPATRIATION OF PROFITS. HUGHES AIR WEST, WHICH HAS SERVICE CONTRACT WITH AIR MAURITANIE, DOES RECEIVE PORTION OF ITS PAYMENT IN US DOLLARS. LOCAL HUGHES AIR WEST MANAGER REPORTS THERE HAS BEEN SOME DIFFICULTY IN RECEIVING DOLLAR PAYMENT. SINCE THIS ASPECT OF CONTRACT IS HANDLED IN US, HOWEVER, HE DOES NOT KNOW DETAILS OF PROBLEM NOR WHETHER IT CONSISTS OF ANYTHING MORE THAN NORMAL BUREAUCRATIC DELAYS. LANGOENGINEERING, WHICH IS JUST BEGINNING TO BUILD SUGAR REFINERY ON TURN-KEY BASIS, ALSO RECEIVES PAYMENT IN US DOLLARS. LOCAL OFFICE IS UNAWARE, HOWEVER, WHETHER THERE HAVE BEEN LENGTHY OR UNUSUAL DELAYS IN TRANSFERRING DOLLARS TO US.

2. FINANCIAL DIRECTOR OF GOVERNMENT INDUSTRIAL HOLDING COMPANY, SNIM, TELLS US THAT IF FOREIGN COMPANY HAS CONTRACTUAL AUTHORIZATION TO REPATRIATE PROFITS OR OTHERWISE TRANSFER LOCAL OUGUIYA TO FOREIGN CURRENCY, THERE ARE NO

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UNUSUAL PROBLEMS OR UNDUE DELAYS. IN CASE OF US DOLLARS,

HE SAID ENTIRE PROCEDURE TAKES FROM WEEK TO 10 DAYS.
COMPANY DESIRING TO MAKE TRANSFER MUST FIRST GO TO EXCHANGE
CONTROL SECTION OF CENTRAL BANK AND COMPLETE REQUEST FOR
TRANSFER. IT NORMALLY TAKES CENTRAL BANK 4-6 DAYS TO
APPROVE FORM. COMPANY THEN TAKES APPROVED REQUEST TO
LOCAL COMMERCIAL BANK AND COMPLETES TRANSFER ORDER.
COMMERCIAL BANK SENDS TELEX TO COMPANY'S OVERSEAS BANK
NOTIFYING IT OF DOLLAR DEPOSIT AFTER MAURITANIAN CENTRAL
BANK CONFIRMS COVERAGE.

3. DIRECTOR OF IMPORTANT LOCAL COMMERCIAL BANK INFORMS
US THAT, BASED ON HIS EXPERIENCE, IT TAKES ABOUT 5-10
DAYS TO EFFECT TRANSFER OF LOCAL OUGUIYA TO US DOLLARS.

4. COMMENT: ON BASIS OF INFORMATION CURRENTLY AVAILABLE,
WE DO NOT BELIEVE THERE ARE FREQUENT DELAYS OF 30 DAYS
OR MORE IN MAKING CURRENCY TRANSFERS IF SUCH TRANSFERS
HAVE BEEN PROVIDED FOR BY CONTRACT. WISH TO EMPHASIZE,
HOWEVER, THAT AMERICAN COMPANIES IN MAURITANIA HAVE
HAD VERY LITTLE EXPERIENCE IN MAKING TRANSFERS. SHINN

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